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C O N F I D E N T I A L SECTION 01 OF 03 SKOPJE 000387

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STATE FOR EUR/SCE (PFEUFFER), USNATO FOR DOUG JONES

E.O. 12958: DECL: 05/17/2017

TAGS: PREL PGOV MK

SUBJECT: MACEDONIA: DIALOGUE -- LIGHT AT THE END OF THE

TUNNEL; WILL AHMETI BLINK?

REF: A. SKOPJE 270

¶B. SKOPJE 321 ¶C. SKOPJE 296

Classified By: P/E CHIEF SHUBLER, REASONS 1.4 (B) & (D).

SUMMARY

11. (C) The political dialogue process between governing VMRO-DPMNE and major eAlbanian opposition DUI appears to be coming to closure, with a possible compromise on the main agenda items DUI had proposed when the talks were revived in early March. Following intensive Embassy and EUSR pressure on both parties, the government has shown additional flexibility in accepting proposed compromise language that would address both sides' concerns and lead to DUI's return to Parliament. The ball is now in DUI President Ahmeti's court. If he accepts the compromise and returns to Parliament, it will help demonstrate Macedonia's political maturity as a NATO candidate. If he rejects the compromise, we will be hampered in pressing the government for additional flexibility by their impression that DUI's real intent is to drag out the process and use Macedonia's NATO candidacy as leverage to gain more concessions. End summary.

DIALOGUE PROCEEDS IN FITS AND STARTS...

12. (SBU) After moving in fits and starts since the leaders of governing VMRO-DPMNE and ethnic Albanian opposition party DUI revived political talks in early March (ref A), the dialogue process finally appears to be coming to closure with a possible compromise on items of key importance to DUI. Since the Ambassador's April 20 intervention with DUI President Ali Ahmeti, Embassy and EUSR representatives have shuttled between both sides to reach agreement on a compromise text that would satisfactorily address the four key agenda items DUI has cited as preconditions for its return to Parliament, which it has been boycotting since the beginning of 2007.

...US AND EU WORK TO BRIDGE DIFFERENCES

13. (C) DUI's four agenda issues include: a list of laws requiring Badinter (double majority) voting; recomposition of the parliamentary Inter-ethnic Affairs Committee (IEC); a political agreement to draft and submit a law on the use of languages; and a political agreement to provide material benefits for ethnic Albanian victims of the 2001 conflict, including NLA (former guerrilla insurgency) veterans. After

direct discussions between the two parties on those agenda items came to a standstill in mid-April, the Ambassador and EUSR Fouere received the consent of both sides to draft compromise language that would bridge the differences between each side's contending proposals.

14. (C) Embassy and EUSR representatives merged the VMRO-DPMNE and DUI texts, producing language that, in our view, addressed the main concerns of both sides. After the Ambassador met with FM Milososki May 7 to press for maximum government flexibility in responding to the compromise proposal, and following a joint meeting between the Ambassador and EUSR Fouere with DUI's Ahmeti later the same day to press for greater DUI flexibility, a draft compromise text was presented to DUI on May 10.

DUI RESPONDS WITH HARDER-LINE PROPOSAL

15. (C) DUI VP Teuta Arifi responded with a counterproposal that returned to harder-line language and added a fifth agenda item -- discussing formation of future government using Badinter voting -- which VMRO-DPMNE has long rejected as a non-starter. Going back to the drawing board, the Ambassador and EUSR reworked the DUI language and presented an additional compromise paper to VMRO-DPMNE on May 11, which was accepted as a basis for further internal party discussion.

GOVERNMENT SHOWS FLEXIBILITY

16. (C) After extended internal party discussions, the VMRO-DPMNE side on May 15 presented a slightly altered variant of the US-EUSR compromise proposal that contained the following language:

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- --DUI's return to Parliament will take place following the recomposition of the Inter-ethnic Committee (IEC).
- -- The parties agree to a list of 46 laws, per Annex 1, requiring Badinter voting.
- --The parties agree to recompose the IEC within one month of the date of this agreement. The parties agree to draft and submit to Parliament within three months a law regulating the work of the IEC, which should refer only to the method of its composition. This three-month period begins with the adoption of the Parliamentary Rulebook, which should be passed within one month of the date of this agreement.
- --The parties agree to address the issue of providing material and social support to the victims of the 2001 conflict and their families in compliance with current laws and procedures. The parties agree to the continuation of the working group (reftels) on this issue.
- --The parties agree to draft and submit for adoption to Parliament a law on the use of languages that is in full compliance with the Framework Agreement and with Amendment 5 of the Constitution. The parties agree to the continuation of the working group on this issue.
- --Upon DUI's return to Parliament, the parties agree to the continuation of discussions on the issue of the method of government formation.

US-EUSR PRESS DUI TO ACCEPT COMPROMISE PACKAGE

17. (C) Embassy and EUSR representatives presented the VMRO language to DUI's Arifi on May 16. Arifi was pleased with the text in general. She was confident Ahmeti would find the draft proposal a significant improvement over previous versions. Ahmeti's only hardline demand, she continued, likely would be for a parliamentary resolution or law on providing benefits for NLA veterans and their families. The Embassy and EUSR representatives pushed back, arguing that

there was no support in the International Community or among most parties in Parliament for that position, and stressing that the VMRO-DPMNE compromise proposal would directly address the concerns of the victims of the 2001 conflict.

- 18. (SBU) In the meantime, the EU sent on May 15 a joint letter from EU High Representative Solana and EU Enlargement Commissioner Rehn to DUI's Ahmeti in which they strongly encouraged him to "approve the compromise package now on the table and to definitively end the boycott of the Parliament." EUSR Fouere will deliver the letter to Ahmeti the on May 17, and will urge him to accept the VMRO proposal as the best deal possible under the current circumstances. We expect a reply from DUI on the latest proposal by May 18.
- ¶9. (C/NF) NOTE: EUSR Fouere over the past year has faced often critical local media scrutiny, first for his perceived pro-DUI stance after the government was formed in August 2006 and, more recently, in the Albanian-language press and from DUI for his perceived shift to supporting the government. He is equally under fire from eAlbanian governing coalition partner DPA, which has accused him of showing an anti-DPA bias in public statements. This perceived lack of EUSR even-handedness has weakened his leverage over the ethnic Albanian parties, but without any commensurate increase in his standing with VMRO-DPMNE. It also has distracted the EUSR, leading to swings in his position that seem influenced more by his concern over how Brussels will perceive his actions, rather than his calculations of chances for a successful outcome. END NOTE.

COMMENT: WILL AHMETI BLINK?

110. (C) Following sustained US and EU pressure over the past several weeks, VMRO-DPMNE has shown additional flexibility and willingness to find a compromise solution to the political dialogue, which should end DUI's parliamentary boycott. If Ahmeti blinks and accepts the package, DUI's return to Parliament and continued work on the language law and NLA veterans package will help demonstrate Macedonia's political maturity as a NATO candidate. If Ahmeti rejects the compromise proposal, the EUSR office has told us they no

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longer will be willing to serve as a co-broker in the dialogue process. We will have to pick up the pieces, and we will, but with reduced leverage over a government that will have become convinced that DUI's real intent is to drag the process on indefinitely to use Macedonia's NATO candidacy as leverage to gain more concessions, or to force a collapse of the governing coalition.
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